

1
2 John T. Bender, WSBA No. 49658
3 CORR CRONIN LLP
4 1015 Second Avenue, Floor 10
5 Seattle, WA 98104-1001
6 (206) 625-8600 Phone
7 (206) 625-0900 Fax
8 jrbender@corrchronin.com

9 *Attorneys for Defendant Bitcoin Depot*

10 UNITED STATES DISTRICT COURT
11 FOR THE EASTERN DISTRICT OF WASHINGTON
12 AT SPOKANE

13 DDD, Inc. a Washington corporation,

14 Plaintiff,

15 vs.

16 LUX VENDING, LLC d/b/a BITCOIN
17 DEPOT, a foreign limited liability
18 corporation,

19 Defendant.

No. 2:23-cv-00035

**DECLARATION OF
SCOTT BUCHANAN**

20 Scott Buchanan states and declares as follows:

21 1. I am over 18 years of age, I have personal knowledge of the matters
22 stated herein and I am competent to testify to these matters.

23 2. I am the Chief Operating Officer for Lux Vending, LLC d/b/a Bitcoin
24 Depot ("Bitcoin Depot"). I am responsible for financial aspects for our business,
25

DECLARATION OF SCOTT BUCHANAN – 1

CORR CRONIN LLP
1015 Second Avenue, Floor 10
Seattle, Washington 98104-1001
Tel (206) 625-8600
Fax (206) 625-0900

1 including strategic finance, mergers and acquisitions, capital acquisition, financial
2 planning and analysis, accounting, and long-term modeling. I also oversee our legal
3 and HR developments.
4

5 3. I am familiar with our account and agreements with Plaintiff, who
6 agreed to exclusively operate our Bitcoin ATMs at two locations: 4615 N Division
7 St in Spokane, Washington (“Division Street Location”) and 3812 Highland Road in
8 Mead, Washington (“Highland Road Location”). Each agreement had a seven-year
9 term. Plaintiff disconnected the ATMs in October 2022 in connection with a sale of
10 its business. I am familiar with our revenue data for these two locations and the
11 losses incurred by Bitcoin Depot by virtue of Plaintiff’s early termination of the
12 agreements, which are significant.
13
14
15

16 4. Attached as Exhibit A is a true and correct copy of the Kiosk Location
17 agreement for the Division Street Location, executed by Plaintiff on May 18, 2021,
18 which incorporates the Location Master Agreement, a true and correct copy of which
19 is attached as Exhibit B. Attached as Exhibit C is a true and correct copy of the
20 Kiosk Location agreement for the Highland Road Location executed by Plaintiff on
21 October 29, 2021, which incorporates the Location Master Agreement (Exhibit B).
22
23

24 5. The Location Master Agreement contains a liquidated damages
25 provision that states Plaintiff must pay a Disconnection Fee of \$100.00 per day in

DECLARATION OF SCOTT BUCHANAN – 2

CORR CRONIN LLP
1015 Second Avenue, Floor 10
Seattle, Washington 98104-1001
Tel (206) 625-8600
Fax (206) 625-0900

1 the event Bitcoin Depot's property is disconnected or interfered with by Plaintiff
2 until operation is restored. Ex. B.

3
4 6. The Location Master Agreement also states that Bitcoin Depot may
5 declare all accrued Disconnection Fees immediately payable and due. Ex. B. § 15.
6 There are over 2,000 days remaining under the terms of the agreements for the
7 Highland Road Location and the Division Street Location. Therefore, as a matter of
8 arithmetic, the sum of 2,000 days at \$100.00 days is at least \$200,000 for each
9 location, exclusive of fees and costs.
10

11
12 7. Bitcoin Depot's lost profits attributable to Plaintiff's early termination
13 of the parties' agreements are likewise significant. The Division Street Location
14 generated monthly average sales of \$14,335, resulting in an average monthly net
15 income to Bitcoin Depot of \$2,006. The expiration date of the Division Street
16 Location's agreement is on or about August 2, 2028. Calculated over the term
17 remaining under the agreement, the resulting lost profits incurred by Bitcoin Depot
18 is at minimum approximately \$134,864 exclusive of interest and attorney's fees.
19

20
21 8. The Highland Road Location generated monthly average sales of
22 \$13,377, resulting in an average monthly net income to Bitcoin Depot of \$1,847.
23 The expiration date of the Highland Road Location's agreement is on or about
24 December 20, 2028. Calculated based on the term remaining under the Highland
25

DECLARATION OF SCOTT BUCHANAN – 3

CORR CRONIN LLP
1015 Second Avenue, Floor 10
Seattle, Washington 98104-1001
Tel (206) 625-8600
Fax (206) 625-0900

1 Road Location's agreement, the resulting lost profits incurred by Defendant is at
2 minimum approximately \$133,567 exclusive of interest and attorney's fees.

3
4 9. Attached as Exhibit D is a true and correct copy of Bitcoin Depot's
5 Demand for Arbitration filed with the American Arbitration Association.

6
7 10. Attached as Exhibit E is a true and correct copy of Bitcoin Depot's
8 Petition to Compel Arbitration filed in the U.S. District Court for the Northern
9 District of Georgia.

10
11 11. Attached as Exhibit F is a true and correct copy of correspondence by
12 our counsel in Georgia, dated February 1, 2023.

13 I declare under penalty of perjury under the laws of the United States of
14 America that the foregoing is true and correct.

15
16
17 Dated: February 3, 2023 at Atlanta, Georgia.

18
19 DocuSigned by:

20 *Scott Buchanan*

024FCBB5F18748B...

21 Scott Buchanan, COO Bitcoin Depot

22
23
24
25
DECLARATION OF SCOTT BUCHANAN – 4

CORR CRONIN LLP
1015 Second Avenue, Floor 10
Seattle, Washington 98104-1001
Tel (206) 625-8600
Fax (206) 625-0900

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

1. I am employed at Corr Cronin LLP, attorneys of record for Defendant
in Depot.

Michael R. Merritt, WSBA No. 60094
HAWLEY TROXELL ENNIS &
HAWLEY LLP
422 W. Riverside Avenue, Suite 1100
Spokane, WA 99201
mmerritt@hawleytroxell.com
Attorneys for Plaintiff

- ☐ Legal Messenger
☒ E-Mail
☒ ECF/E-Service
☐ 1st Class Mail
☐ Overnight Mail

Dated: February 3, 2023

s/ Donna Patterson
Donna Patterson